

Message Text

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PAGE 01 TEHRAN 11349 260825Z
ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-05
CEA-01 PA-01 PRS-01 L-03 EUR-12 /096 W
-----012552 260834Z /16

R 260642Z DEC 77
FM AMEMBASSY TEHRAN
TO AMEMBASSY ISLAMABAD
INFO SECSTATE WASHDC 6068

C O N F I D E N T I A L TEHRAN 11349

EO 11652: GDS
TAGS: EFIN, EAID, PK, IR
SUBJ: IRAN/PAKISTAN FINANCIAL RELATIONS

REF: (A) TEHRAN 10246, (B) ISLAMABAD 11431,
(C) ISLAMABAD 11687

1. ALLEGED MORATORIUM ON PAKISTAN'S DEBT TO IRAN:
MINISTRY OF ECONOMIC AFFAIRS AND FINANCE (MEAF) UNDER-
SECRETARY FOR INVESTMENT AND FOREIGN CREDITS DR. JAMSHID
ASHRAFI TOLD EMBOFF DECEMBER 20 THAT REPORTS OF AN
IRANIAN AGREEMENT TO A MORATORIUM ON PAKISTAN'S DEBT
WERE UNFOUNDED, BASED ON HIS INVESTIGATION AT THE
HIGHEST LEVELS OF THE MINISTRY OF FOREIGN AFFAIRS. HE
SAID HE NOTIFIED THE GOP SEVERAL WEEKS AGO CONCERNING
DEBT SERVICING DUE DECEMBER 31 AND HAS HEARD NOTHING
CONCERNING PAYMENTS OR NONPAYMENT. HE AGAIN, AS REPORTED
IN REF A, ACKNOWLEDGED THAT AN AGREEMENT MAY HAVE BEEN
MADE AT HIGHER LEVELS (E.G. THE SHAH AND MARSHALL ASGHAR
KHAN) BUT THAT HE SHOULD BE INFORMED BY NOW. THE
CLEAR CONFLICT WITH THE INFORMATION CONVEYED IN REF B
SUGGESTS THAT A HIGH LEVEL MORATORIUM AGREEMENT IS
BEING WITHHELD FROM MEAF.

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2. GOI GUARANTEE THE LONG-AWAITED \$300 MILLION
COMMERCIAL EURODOLLAR LOAN TO THE GOP, ASHRAFI SAID
HE HAD NOT YET SEEN THE LOAN DOCUMENT AND HAD NOT MET
WITH BANKERS ON THE ISSUE FOR SOME MONTHS. HE SAID
IRAN WOULD NOT WANT THE RATE OF INTEREST TO BE HIGHER
THAN WHAT IRAN ITSELF IS PAYING ON THE LONDON MARKET,

A POSITION CONSISTENT WITH THAT OF CITIBANK OFFICIALS,
REPORTED IN REF C AND BY ITS COUNTRY HEAD TIMOTHY
KELLEY HERE. KELLEY REPORTS THAT THE ONLY WAY AROUND
THIS POSITION IS TO GET GOI AGREEMENT ON A "FRONT
END" PREMIUM WHICH WOULD DISGUISE THAT EFFECTIVELY
HIGHER RATE ON THE PAKISTAN LOAN, A FEATURE BEING
DISCUSSED AT SECOND LEVELS OF THE MEAF AND CENTRAL
BANK. HE OPINED THAT HE DID NOT EXPECT THE LOAN TO
MOVE FOR AT LEAST SIX MONTHS.
MIKLOS

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LOAN AGREEMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 26-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TEHRAN11349
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770481-0514
Format: TEL
From: TEHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771217/aaaaanza.tel
Line Count: 72
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: c6660efd-c188-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 TEHRAN 10246, 78 ISLAMABAD 11431, 78 ISLAMABAD 11687
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 14-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 130035
Secure: OPEN
Status: NATIVE
Subject: IRAN/PAKISTAN FINANCIAL RELATIONS
TAGS: EFIN, EAID, PK, IR
To: ISLAMABAD
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/c6660efd-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009